GSSB

Item 03 – GRI Topic Standards – Labor Topics – Draft project proposal

For GSSB approval

Date	11 June 2022
Meeting	7 July 2022
Project	GRI Topic Standards – Project Labor related Standards
Description	This document sets out the draft project proposal to review the labor-related GRI Topic standards (8 at a minimum) in a programmatic approach.
	This is presented for Global Sustainability Standards Board (GSSB) discussion and approval to send to the GRI Board and Stakeholder Council for feedback.
	After feedback from the GRI Board and Stakeholder Council has been received and incorporated, the Standards Division will present the proposal to the GSSB for final approval (by correspondence), in accordance with the Due Process Protocol.

1
2
3
4
5
6
7
8
9
10
11
12

Contents

13

Project background

As part of the GSSB Work Program 2020-2022, the Global Sustainability Standards Board (GSSB) has identified the need to review the labor-related GRI Topic Standards.

In 2017, the Global Sustainability Standards Board (GSSB), GRI's independent standard-setting body, initiated the project to review the GRI Sustainability Reporting Standards (GRI Standards) related to human rights. The main objective of the project was to align with the latest key authoritative intergovernmental instruments, such as the United Nations (UN) Guiding Principles on Business and Human Rights (Guiding Principles, UNGPs) and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The review was split into two phases:

- Phase 1: Conceptual review of the human rights-related content within the GRI Standards and overall alignment with key authoritative intergovernmental instruments.
- Phase 2: Review of individual GRI Topic Standards with human rights and labor-related content (e.g., GRI 408: Child Labor, GRI 409: Forced or Compulsory Labor), and the development of new Topic Standards or disclosures as needed.

Based on the recommendation for Phase 1, the Universal Standards were revised. Phase 1 was concluded with the publication of the Universal Standards GRI 1, 2, and 3 in October 2021.

As the starting point for Phase 2 of the review, the Standards Division conducted a scoping survey from 24 March until 19 May 2021. The objective of the survey was to identify the priority labor/human rights issues for the review of the Topic Standards. The initial results were presented at the GSSB meeting in July 2021. Based on the results of the scoping survey, the Standards Division started the interpretation and further analysis of the data to identify:

- Whether the proposed revision/ additional topics fall within the scope of GRI Standards;
- Whether existing GRI Standards cover the priority issues;
- Under which Topic Standards these should be best addressed;
- Prioritization of topic;
- Recommendations for the next steps of the project.

The need for revision of existing and development of new disclosures for the labor-related Topic Standards was identified. This is in line with the increasing recognition of the need for more effective protection of human rights as included in the international conventions. It is also in line with the need for productive employment and decent work as the key elements for achieving fair globalization and poverty reduction as a driver of sustainable development, as indicated in the International Labor Organization (ILO) Decent work 2030 agenda for sustainable development. Organizations' impact on their workforce and workers up- and downstream is one of the most direct ways human and labor rights are affected.

The human rights-based approach and due diligence as the cornerstone of the Universal Standards will be the basis for revising the Labor-related Topics Standards.

Labor and human rights subjects and topics raised for review:

- Working conditions and working hours;
- Social dialogue, including freedom of association and collective bargaining;
- Non-discrimination and harassment;
- Diversity, equality, and inclusion;
- Fair pay, living wages, and a living income;
- Child labor forced and compulsory labor;
- Skills development, life-long learning, and employment generation for certain social groups;
- Social protection;
- Impacts on workers in the organization's value chain related to the above sub-objectives;
- Just transition (the consideration of the workers when shifting to a low carbon economy);

Project objectives

Review at a minimum, the following labor-related GRI Topic standards in a programmatic approach:

- *GRI 202 Market Presence 2016;*
- *GRI 401 Employment 2016;*
- *GRI 402 Labor/management Relations 2016;*
- *GRI 404 Training and Education 2016;*
- *GRI 405 Diversity and Equal Opportunity 2016;*
- *GRI 407 Freedom of Association and Collective Bargaining 2016;*
- *GRI 408 Child Labor 2016;*
- *GRI 409 Forced or Compulsory Labor 2016*.

GRI 202 Market Presence 2016 is part of the program as this contains labor-related disclosures.

The *GRI 414 Supplier Social Assessment 2016* will be researched as part of the review, containing labor and human rights-related disclosures. The GRI Standards already cover decent working conditions in the value chain (and supply chain), but more guidance may be needed.

The review includes but is not limited to the assessment of the current disclosures. Emerging topics like decent work, labor practices, and human rights related to the gig and platform economy will be researched and discussed.

Disclosures in the Topic Standards may need to be deleted, revised, or added due to the new 2021 Universal Standards with the inclusion of a Human Rights and due diligence approach. This could also lead to recommendations for withdrawal or merging of Topic Standards.

Recommendations for developing new labor-related Topic Standards are part of the project objective.

Due to this project's complexity, a programmatic approach will be chosen. A programmatic approach allows the grouping of the related topics and subjects into several projects. The different projects can be run in parallel, and we can ensure an integrated approach with an aligned set of standards as the outcome.

The following GRI Topic Standards are not foreseen in the revision program:

- *GRI 403 Occupational Health and Safety 2018,* as this was revised more recently;
- *GRI 406 Non-discrimination 2016* is not limited to non-discrimination in the workplace. The Standards Division believes that the revision of this subject area requires a holistic approach entailing a separate Technical Committee or Working Group.
- *GRI 410 Security practices 2016*, the standards division expects a similar holistic approach. It is advised to approach the review from the perspective of operating in conflict areas (this is also how it is addressed in the Sector Standards).

Division of responsibilities

Technical Committee

The GSSB will appoint a Technical Committee (TC) of six expert members responsible for the review of the labor-related Topic Standards. With the focus on labor-related topics, a TC composition is proposed where workers and employers have an equal voice.

The TC will be composed of two representatives nominated by the International Labour Organization (ILO), two representatives representing the International Trade Union Confederation (ITUC) and the Global Unions Federations (GUFs), and two employer representatives (appointed by the International Organization of Employers) to contribute their expertise to the revision and technical review of the Labor-related Topic Standards supported by the GRI Standards Division.

In line with the Due Process Protocol, the TC should report to the GSSB and seek guidance and advice whenever required to advance the revision program or when they cannot reach a consensus. When the TC is satisfied that it has a proposed (set) of draft standard(s) that is ready for public consultation, the draft(s) are presented to the GSSB for approval.

The overall work of the Technical Committee should support sustainability reporting as promoted by the GRI Sustainability Reporting Standards (GRI Standards), which is to provide transparency on how an organization contributes or aims to contribute to sustainable development.

The Standards Division will draft the Topic Standards. The project will be conducted in accordance with the GSSB Due Process Protocol.

Advisory Group

The GSSB will establish an Advisory Group (AG) with independent experts to support and advise the TC in the content development process. A call for experts will be launched in

The GSSB will appoint independent experts with relevant knowledge and expertise for specific labor topics. The experts are appointed for the period of the entire labor revision program. The membership of this AG should reflect a balance of all constituencies as defined in the GSSB Terms of Reference but represent at least the following constituencies: academics, meditation institutions, and financial institutions.

Timeline

As explained in the project objectives, a programmatic approach is chosen, and several projects will be run in different phases with different timelines, part in parallel.

Most of the TC and AG's work is expected to be carried out through a series of meetings between September 2022 and December 2023. This project is envisioned to commence in September 2022.

Table 1, outlines the anticipated project duration. Starting the content development in September, the phases and milestones would look the following for the first set of Topic Standard(s) to be revised.

GSSB

Table 1: Estimated duration of Topic Standards project for Labor

Phase	~Duration (months)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Month 25
Project commencement	1	█																								
GSSB approval of Technical Committee		◆																								
Open call & recruitment of Advisory Group	2	█	█	█																						
GSSB approval of Working Group membership			◆																							
Content development TC / AG	13			█	█	█	█	█	█	█	█	█	█	█	█	█										
GSSB approval first set of exposure drafts											◆															
Public comment period first set of standards	3											█	█	█												
Analysis of public comments and revision of first draft(s)	6														█	█	█	█	█	█						
GSSB approval of first set of final standard(s)	1																				◆					
GSSB approval of second set of exposure drafts																◆										
Public comment period second set of standards	3																▓	▓	▓							
Analysis of public comments and revision of second set	6																			▓	▓	▓	▓	▓	▓	
GSSB approval second set of final standards	1																									◆
Total (months)	36																									